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ACL/GCL/CGM/H-L RECIPROCAL SPACE
CHARTER AND SAILING AGREEMENT

FMC Agreement No. 213-010955

Space Charter and Sailing Agreement

WHEREAS H-L operates as an ocean common carrier throughout the Trade;

WHEREAS cooperation among the parties will enable them to achieve the goals specified in Article 2.

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein, the parties agree as follows:

Article 1: Name

The full name of this Agreement is the "ACL/GCL/CGM/H-L Reciprocal Space Charter and Sailing Agreement."

Article 2: Purpose

The purpose of this Agreement is to permit the Parties to achieve efficiencies and economies in their services offered in the trade covered by the Agreement.

Article 3: Parties

The Parties to this Agreement are:

1. Atlantic Container Line, B.V.
(FMC Agreement No. 207-009498)
Atlantic House
Herbert Walker Avenue
Western Docks
Southampton SO9 1HA
United Kingdom

2. Gulf Container Line (GCL), B.V.
(FMC Agreement No. 207-009498)
c/o Short, Klein & Karas, P.C.
1101 Thirtieth Street, N.W.
Washington, D.C. 20007
3. Compagnie Generale Maritime
Tour Winterthur
102 Quartier Boieldieu
Cedex 18 92085
Paris, La Defense
France
4. Hapag-Lloyd AG
Ballindamm 25
2000 Hamburg 1
Federal Republic of Germany

Article 4: Geographic Scope

This Agreement applies to ocean carrier services (whether direct or by transshipment, and irrespective of the origin or destination of the cargo) between a) ports on the Atlantic and Gulf coasts of the United States, the Atlantic coast of Canada, and the Canadian side of the St. Lawrence River, on the one hand, and ports in Europe excluding the Mediterranean, on the other hand; b) ports on the Atlantic and Gulf coasts of the United States, on the one hand, and ports on the Atlantic coast of Canada, the Canadian side of the St. Lawrence River, and the East coast of Mexico, on the other hand; and c) European ports referred to above. All of the foregoing is referred to herein as the "Trade."

Article 5: Agreement Authority

5.1 Space and Vessels

- (a) The Parties may charter or otherwise make space and slots available to and from each other on their respective vessels in the Trade on such terms as they may from time to time agree.
- (b) The Parties may agree on their respective services including the number, size and types of vessels operated by each Party in the Trade. The Parties may also agree on the number of sailings, schedules, ports called and frequency of port calls for their vessels in the Trade. The Parties may charter vessels to and from each other, or from other persons for use in the Trade on such terms as they may from time to time agree.
- (c) The maximum number of vessels to be employed by the Parties at any one time under this Agreement without further amendment is 20 vessels, each vessel being up to 55,000 deadweight tons.

5.2 Equipment

The Parties may discuss and agree on standards for, and may interchange, purchase, lease, sublease, or otherwise cooperate in connection with, containers, chassis and other equipment as between themselves, or to, from or with others, on such terms as they may from time to time agree.

5.3 Facilities, Services and Supplies

The Parties may discuss and agree on the use of any terminal facilities, including their own; may jointly negotiate and enter into leases, subleases or assignments of such facilities; and may contract for stevedoring, terminal and other related services or supplies with each other or jointly with third parties.

5.4 Conferences, Competition

- (a) The Parties may discuss and agree on their respective memberships in any conference or rate agreement in the Trade, provided that each Party shall retain the unilateral right to join or withdraw from any such conference or rate agreement in accordance with the terms of such agreement.
- (b) Except as mutually agreed by the Parties, no Party, or any subsidiary, affiliate or shareholder of any

Party, may directly or indirectly engage or participate in the carriage of containers in any Transatlantic service in the Trade that is not subject to this Agreement.

5.5 Administration

- (a) The Parties may establish a staff or entity to perform administrative and operational functions (including, but not limited to, scheduling, allocating space, forecasting, terminal operations and stowage planning) relating to the implementation of the authority under this Agreement, and may agree on the sharing of administrative and operational expenses incurred in the implementation of the authority under this Agreement.
- (b) The Parties may implement this Agreement by meetings, writings and other communications between them, and may act through a Steering Committee, or the staff referred to in Article 5.5(a), or make other arrangements as may be necessary or appropriate to effectuate the purposes and provisions of this Agreement.
- (c) The Parties, in implementing the Agreement, may agree on their respective rights, liabilities, and

indemnities arising under this Agreement, including matters such as failure to perform, force majeure, and insurance.

Article 6: Officials of Agreement and Delegation of Authority

Any of the following executive officials of the Parties shall have the authority to execute and file, or to delegate the authority to execute and file, modifications to this Agreement:

For ACL - Bengt H. Koch, President, Atlantic Container Line Services Limited.

For GCL - William Karas, Attorney-in-Fact.

For CGM - Benoit Bertrand, Director; Patrick Blin, General Manager, North American Services.

For H-L - Michael Peters, Managing Director, North American Services; Manfred Braun, Director, Atlantic Services.

Article 7: Membership, Withdrawal, Readmission and Expulsion

7.1 Any Party may withdraw from this Agreement at any time without cause upon nine hundred (900) days written notice to the other Parties at the addresses specified in Article 10; provided, however, that such withdrawal may not be effective prior to March 31, 1992. Following such notice, any other

Party may also withdraw from this Agreement effective on the same date as the initial withdrawal by giving written notice to the other Parties within sixty (60) days of the date of the initial notice of withdrawal.

7.2 In the event CGM and GCL withdraw from the SA&G Range of the Trade, they shall also promptly withdraw from this Agreement notwithstanding the notice period set forth in Article 7.1, provided that ACL assumes their obligations under or resulting from this Agreement.

Article 8: Voting

Decisions under this Agreement shall be by mutual agreement of all Parties entitled to vote. GCL, CGM and H-L shall each offer separate services and act as separate parties with separate votes on matters pertaining to ocean carrier services in the SA&G Range of the Trade. On all other matters, only ACL and H-L shall offer separate services, have separate votes, and shall otherwise be considered separate Parties.

Article 9: Duration and Cancellation

This Agreement shall continue indefinitely until canceled in whole or in part, in writing, by mutual agreement of the Parties entitled to vote on the part being canceled. The

Parties shall give notice to the Federal Maritime Commission of the cancellation or termination of this Agreement.

Article 10: Notices

All notices required to be given hereunder shall be given in writing addressed to the respective Parties as follows:

Atlantic Container Line, B.V.
Atlantic House
Herbert Walker Avenue
Western Docks
Southampton SO9 1HA
United Kingdom

Attention: Bengt H. Koch

Gulf Container Line (GCL), B.V.
c/o Short, Klein & Karas, P.C.
1101 Thirtieth Street, N.W.
Washington, D.C. 20007

Attention: William Karas

Compagnie Generale Maritime
Tour Winterthur
102 Quartier Boieldieu
Cedex 18 92085
Paris, La Defense
France

Attention: Benoit Bertrand

Hapag-Lloyd AG
P.O.B. 102626
Ballindamm 25
2000 Hamburg 1
Federal Republic of Germany

Attention: Michael Peters

Article 11: Applicable Law

The interpretation, construction and enforcement of this Agreement shall be governed by the laws of England, provided however, that nothing herein shall relieve the Parties of compliance with the Shipping Act of 1984.

Article 12: Arbitration

12.1 Any controversy or claim relating to this Agreement shall be referred to arbitration under the International Arbitration Rules of the London Court of International Arbitration ("LCIA"), provided that not less than sixty (60) days' notice of intention to refer the matter to arbitration, specifying the nature of the controversy or claim, shall have been delivered in writing to the other Party or Parties, as appropriate under Article 12.3.

12.2 The arbitration shall be before a panel of three arbitrators unless the Parties agree that the arbitration shall be before a single arbitrator.

12.3(a) If the arbitration does not concern a matter pertaining to the SA&G Range, there shall be two parties, ACL and H-L, to the arbitration. In such an arbitration, each Party shall appoint one arbitrator

and the third arbitrator shall be appointed by the two arbitrators appointed by the Parties. If either Party fails to appoint an arbitrator within thirty (30) days after the request for arbitration, such arbitrator shall be selected and appointed by the LCIA. If the arbitrators nominated by the Parties fail to appoint the third arbitrator within thirty (30) days after their appointment, such third arbitrator shall be selected and appointed by the LCIA.

- (b) If the arbitration concerns a matter pertaining to the SA&G Range, there shall be three possible Parties to the arbitration, GCL, CGM and H-L. In the event one of such Parties elects not to participate, arbitrators shall be appointed as provided in Article 12.3(a). In the event all three parties elect to participate, the Parties shall be divided into two sides according to their respective interests in the matter, and arbitrators shall be appointed by each side as provided in Article 12.3(a). If the Parties are unable to agree as to how the two sides are to be constituted, or if two Parties on the same side of an arbitration are unable to agree on the arbitrator to

be appointed by such side, then such sides shall be constituted, and such arbitrator or arbitrators shall be appointed, by the LCIA.

12.4 If the arbitration is to be before a single arbitrator, the arbitrator shall be jointly appointed by the Parties. If such arbitrator shall not have been appointed within thirty (30) days after the request for arbitration, the arbitrator shall be selected and appointed by the LCIA.

12.5 The Parties agree to exclude any right of application or appeal to any courts in connection with any question of law arising in the course of such arbitration or with respect to any award made therein.

Article 13: Language

This Agreement and any and all notices, communications or other writing made in connection with this Agreement, shall be written in the English language. None of the Parties shall be obligated to translate such matter into any other language, and the wording and the meaning of any such matters in the English language shall govern and control.

Article 14: Severability

Should any term or provision in this Agreement be held invalid, illegal or unenforceable, the remainder of this Agreement, and the application of such term or provision to persons or circumstances other than those as to which it is invalid, illegal or unenforceable, shall not be affected thereby and each term or provision of this Agreement shall be valid and enforceable to the full extent permitted by law.

Article 15: Effective Date

This Agreement shall take effect on the date it becomes effective pursuant to Section 6 of the Shipping Act of 1984.

IN WITNESS WHEREOF, the Parties have caused this Agreement
to be executed below by their duly authorized representatives.

ATLANTIC CONTAINER LINE, B.V.

By: William Karas

Name: William Karas

Position: Attorney-in-fact

GULF CONTAINER LINE (GCL), B.V.

By: William Karas

Name: William Karas

Position: Attorney-in-fact

COMPAGNIE GENERALE MARITIME

By: Edward Schmeltzer

Name: Edward Schmeltzer

Position: Attorney-in-fact

HAPAG-LLOYD AG

By: Stanley O. Sher

Name: Stanley O. Sher

Position: Attorney-in-fact